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Item 7 of the agenda of the Budgetary
and Finance Committee

ADOPTION OF THE REPORT OF THE BUDGETARY AND FINANCE COMMITTEE BY THE GOVERNING COUNCIL

Draft report of the Budgetary and Finance Committee

Rapporteur: Ms. Edelana M. CUAYO (Philippines)

CHAPTER III. FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

91/___. Procurement from developing countries

The Governing Council,

Recalling its decision 90/27 of 20 June 1990,

Also recalling General Assembly resolution 44/211 of 22 December 1989, in particular paragraphs 21 and 22 thereof,

1. Takes note of the report of the Administrator on procurement from developing countries (DP/1991/53), the 1990 Annual Statistical Report prepared by the Inter-Agency Procurement Services Office and the observations and comments made thereon by delegations at the current session;

2. Notes the progress made in procurement from developing countries and urges all specialized agencies of the United Nations system to give preference to suppliers from developing countries and to continue their efforts to increase procurement from developing countries, as indicated in document DP/1991/53, keeping in mind the principle of universality, and in conformity with international competitive bidding and the Financial Regulations of the United Nations;

3. Stresses the need to ensure that adequate consideration be given to the desire for long-term sustainability, maintenance and compatibility with local requirements in developing countries in making procurement decisions in line with the general principles of procurement in the Financial Regulations of the United Nations Development Programme;

4. Continues to urge the specialized agencies of the United Nations system to ensure that advance information on business opportunities be reported to the Inter-Agency Procurement Services Office and disseminated systematically, in particular to developing countries;

5. Requests the specialized agencies of the United Nations system to provide annually to the Inter-Agency Procurement Services Office complete statistical information on procurement, including international experts, consultants, national experts, fellowships and volunteers, and also requests, whenever possible, that this information be broken down by gender, for the preparation of a summary report to be attached as an annex to the annual report of the Administrator, with a more comprehensive statistical report being made available to the Governing Council for information;

6. Requests the Administrator to ensure that further support be given to the implementation of the measures indicated in paragraph 13 of document DP/1991/53 which have proved to be successful in procurement from developing countries, i.e., the consolidation of guidelines developed in the United Nations system; the establishment of a common database by the Inter-Agency Procurement Services Office; the strengthening of national capabilities through training programmes; improvement in project formulation and internal instructions; increased market knowledge; human resources development; increased transparency and advance information of procurement activities in the United Nations system; and the strengthening of focal points at local levels; and also requests the Administrator to report to the Governing Council at its fortieth session (1993) on the progress made in this area;

7. Concludes that, in the context of the above paragraphs, the 15 per cent price preferential system appropriation has no merit in its present form and that the arrangement should accordingly be discontinued for the procurement operations of the United Nations Development Programme and the United Nations Population Fund and requests the Administrator to submit to the Governing Council at its fortieth session (1993) proposals for other, more effective mechanisms aimed at increasing procurement from developing countries.